

STATEMENT OF CONSIDERATIONS

REQUEST BY CATERPILLAR, INC. FOR AN ADVANCE WAIVER OF DOMESTIC AND FOREIGN PATENT RIGHTS UNDER NREL SUBCONTRACT NO. ZCL-4-32060-04 ENTITLED "ADVANCED HEAVY HYBRID PROPULSION SYSTEMS FOR INCREASED FUEL EFFICIENCY AND DECREASED EMISSIONS" UNDER DOE CONTRACT NO. DE-AC36-98GO10337; W(A)-04-050; CH-1215

As set out in the attached waiver petition and in subsequent discussions with DOE patent counsel, Caterpillar, Inc. (Caterpillar) has requested an advance waiver of domestic and foreign patent rights for all subject inventions made under the above-identified subcontract by its employees and its subcontractors' employees, regardless of tier, except inventions made by subcontractors eligible to retain title to inventions pursuant to P.L. 96-517, as amended, and National Laboratories.

Referring to item 2 of Caterpillar's waiver petition, this agreement is part of DOE's Advanced Heavy Hybrid Propulsion Systems for Increased Fuel Efficiency and Decreased Emissions program. The work under this subcontract will be directed toward effective vehicle system integration of hybrid powertrain technology with electrically driven accessories to improve fuel efficiency, lower operating cycle emissions, and lower and lessen objectionable noise while improving reliability. More particularly, Caterpillar will conduct a two-phase program that will focus on the technical feasibility and potential market viability of advanced next generations heavy hybrid waste heat recovery components and solid-state cabin HVAC systems.

The work under the subcontract is expected to take place over a period of two years at a total cost of \$2,002,000. Caterpillar is obligated to cost share \$1,001,000, or about 50 percent of the total cost of the project.

In view of the cost sharing and other equities between Caterpillar and its subcontractors, it is anticipated that the parties will develop an appropriate allocation of patent rights among the participants to facilitate the expeditious development of the technology forming the subject matter of the agreement. Accordingly, DOE will waive title to all subject inventions made by Caterpillar's employees and its subcontractors' employees, regardless of tier, except inventions made by subcontractors eligible to retain title pursuant to P.L. 96-517, as amended, or National Laboratories, to Caterpillar or its subcontractors, as mutually agreed by the parties. Except as otherwise approved in writing by DOE Patent Counsel, a party's acceptance of a subcontract under this agreement, at any tier, shall constitute Caterpillar's certification that it has provided that party with a copy of this Statement of Considerations and that party's notice to DOE that it accepts the terms and conditions of this advance waiver. Additionally, subcontractors who receive title under this waiver shall notify DOE Patent Counsel in writing of such disposition of patent rights.

Referring to items 5-9 of Caterpillar's waiver petition, Caterpillar is a world's largest manufacturer of construction equipment and the leading manufacturer of class 3-8 on-highway, truck engines. Additionally, Caterpillar has extensive experience in developing advanced materials and material related processes for earth moving machine applications as well as advanced materials and processes for diesel and natural gas engines. This, coupled with Caterpillar's cost sharing, clearly demonstrates the likelihood that Caterpillar will continue development and commercialization of the results of this agreement.

This advance waiver of the Government's rights in inventions is subject to the usual advance patent waiver and background data licensing provisions, and the government license, march-in rights, and preference for U.S. industry provisions set out in 35 U.S.C. 202-204. The advance patent waiver also includes the attached U.S. Competitiveness clause (paragraph t) which requires products embodying any waived invention or produced through the use of any waived invention be manufactured substantially in the United States unless the participant can show to the satisfaction of DOE that it is not commercially feasible to do so. The contractor further agrees to make the above condition binding on any assignee, licensee or other entity acquiring rights to any waived invention, including subsequent assignees or licensees. Should the Contractor or other such entity receiving rights in any waived invention undergo a change in ownership amounting to a controlling interest, then the waiver, assignment, license, or other transfer of rights in the waived invention is suspended until approved in writing by DOE.

Referring to item 10 of the waiver petition, granting this waiver is not anticipated to have any adverse impact on competition as there are a variety of competing technologies in the relevant market.


Considering the foregoing, it is believed that granting this waiver will provide Petitioner with the necessary incentive to invest its resources in the commercialization of the results of the agreement in a fashion which will make the technology available to the public in the shortest practicable time. Therefore, upon evaluation of the waiver petition and in view of the objectives and considerations set forth in 10 CFR Part 784, all of which have been considered, it is recommended that the requested waiver be granted.


Thomas G. Anderson
Assistant Chief Counsel
Intellectual Property Lab Division

Date: 8/30/04

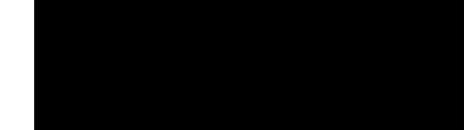
Based upon the foregoing Statement of Considerations and representations in the attached waiver petition, it is determined that the interests of the United States and the general public will best be served by a waiver of patent rights of the scope described above, and therefore the waiver is granted. This waiver will not apply to any modification or extension of the subcontract, where through such modification or extension, the purpose, scope or cost of the subcontract has been substantially altered.

CONCURRENCE:


Edward J. Wall, Program Manager
Office of FreedomCAR and Vehicle
Technology Program, EE-2G

Date: 10/20/04

APPROVAL:


Paul A. Gottlieb
Assistant General Counsel for Technology
Transfer and Intellectual Property, GC-62

Date: 10-27-04

(t) U. S. COMPETITIVENESS

The Contractor agrees that any products embodying any waived invention or produced through the use of any waived invention will be manufactured substantially in the United States unless the Contractor can show to the satisfaction of the DOE that it is not commercially feasible to do so. In the event the DOE agrees to foreign manufacture, there will be a requirement that the Government's support of the technology be recognized in some appropriate manner, e.g., recoupment of the Government's investment, etc. The Contractor agrees that it will not license, assign or otherwise transfer any waived invention to any entity unless that entity agrees to these same requirements. Should the Contractor or other such entity receiving rights in the invention undergo a change in ownership amounting to a controlling interest, then the waiver, assignment, license, or other transfer of rights in the waived invention is suspended until approved in writing by the DOE.

WAIVER ACTION - ABSTRACT

W(A)-04-050 (CH-1215)

REQUESTOR

CATERPILLAR, INC.

CONTRACT SCOPE OF WORK

ADVANCED HEAVY HYBRID PROPULSION
SYSTEMS FOR INCREASED FUEL EFFICIENCY
DECREASED EMISSIONS

RATIONALE FOR DECISION

50% COST SHARING

DISPOSITION